



**CITY OF SCOTTSDALE
TOURISM DEVELOPMENT COMMISSION
REGULAR MEETING**

Tuesday, December 18, 2018

**Kiva Forum – City Hall
3939 N. Drinkwater Boulevard
Scottsdale, Arizona 85251
DRAFT MINUTES**

PRESENT: Linda Dillenbeck, Chairperson
Camille Hill, Vice Chair
Carl Grupp
Sherry Henry
Ken McKenzie

ABSENT: David Winter
Richard Newman

STAFF: Karen Churchard
Steve Geiogamah
Ana Lia Johnson

GUESTS: Rachel Pearson, Experience Scottsdale

1. Call to Order/Roll Call

Chair Dillenbeck called the meeting of the Scottsdale Tourism Development Commission to order at 8:01 a.m., and noted the presence of a quorum.

2. Approval of Minutes

- November 20, 2018 Regular Meeting Minutes

COMMISSIONER MCKENZIE MOVED TO APPROVE THE REGULAR MEETING MINUTES OF THE TOURISM DEVELOPMENT COMMISSION ON NOVEMBER 20, 2018 AS PRESENTED. COMMISSIONER HENRY SECONDED THE MOTION, WHICH CARRIED 5-0 WITH CHAIR DILLENBECK, VICE CHAIR HILL, COMMISSIONERS GRUPP, HENRY, AND MCKENZIE VOTING IN THE AFFIRMATIVE WITH NO DISSENTING VOTES.

3. Experience Scottsdale First Quarter Report

Rachel Pearson, Experience Scottsdale, reviewed that this past summer, new campaign, "It's that Hot," was begun, which embraces the desert and heat of Scottsdale. Year over year, there was a 100 percent increase in page views to the member offerings, packages and events. Three murals were created at Scottsdale Fashion Square, Scottsdale Quarter and Old Town. The City, Arts and Cultural institutions and Old Town Galleries made a coordinated effort to put together Scottsdale Contemporary Month, running from mid-October to mid-November, celebrating art, culture and architecture.

For the first quarter, 149 meetings were booked into Scottsdale area properties, a 10 percent increase from last year's first quarter. The communications team brought nearly 70 journalists to Scottsdale during the first quarter. The tourism team sponsored the Private Luxury Forum, which brought 140 luxury travel advisors into the Scottsdale area. In terms of performance measures, the team is on track, however there are some expected time variances for the first quarter.

There are a number of developments for the second quarter, which will be reported in February or March. These include a new visitors center on 5th Avenue, partnership with Afar Journeys and a takeover in Los Angeles slated for the fall. Traffic Classics West was just hosted with travel writers. A new customer advisory board was hosted for the first time.

In response to a question from Commissioner McKenzie, Ms. Pearson stated that the statistics for hotel performance comes from the STR data. She confirmed the 17.2 percent increase in RevPAR from January through September.

4. Old Town Marketing Update

Karen Churchard, Tourism & Events Director, said that the marketing campaign ran from April through September. Objectives included:

- Becoming top of mind among Valley residents
- Increase traffic to the website
- Timing of campaign during non-tourist season

The budget was \$150,000 and the media mix included:

- Facebook/Instagram
- Good display and video
- Google paid search
- Cox cable commercials
- Billboards
- Print

Overall impacts include:

Total paid impressions

- Goal: \$41 million
- Delivered: 49 million

Total digital clicks:

- 170,466 clicks
- 0.59 percent click-thru-rate
- Average cost per click of \$0.27
 - Benchmark is 0.10 percent click-thru-rate
 - Average cost per click (CPC) \$0.58

Overall impact website sessions:

- 184,367 sessions
- Average session duration of 1 minute

Website profile

- Female: 64 percent
- Male: 37 percent
- Age
 - 65 plus: 24 percent
 - 55-64: 22 percent
 - 45-54: 17 percent
 - 35-44: 15 percent
 - 25-34: 16 percent

The five Old Town kiosks are being updated. The Department was able to work with Experience Scottsdale to utilize their Old Town map. Based on the Commission's previous approval of the matching marketing funds, staff is beginning to speak with different associations about how to apply for the matching program.

Events include:

- Scottsdale Contemporary Month
- Local Light
- Canal Convergence
- Scottsdazzle
- Sing-Along & Tree Lighting
- Feliz Navidad Fiesta
- Java Jingle
- Sugar Plum Avenue
- Canal Concerts

Commissioner Grupp noted the tremendous amount of work by many people. The volume of activity and attendance is exactly what you want to see in your downtown hub area. He congratulated staff on a job well done. Chair Dillenbeck concurred with the comments. She asked whether the merchants are aware of how much is being done for them and whether they have acknowledged the efforts. Ms. Churchard stated that overall, they have expressed appreciation. The biggest struggle is in Historic Old Town. Some merchants welcome events and others do not. 5th Avenue merchants love having the events.

Commissioner Grupp asked how they might engage more merchants on the website for Scottsdazzle. Ms. Churchard state that last year, there was a different process for getting merchants involved. There were more events and discounts last year. In addition, last year an external group was hired to promote the event. That was not done this year.

5. Event Funding Program Recommendations

- a. Italian Festival of Arizona – \$17,500
- b. Hashknife Pony Express – \$15,000
- c. Scottsdale Giant Race – \$5,000

Steve Geiogamah, Tourism Development Manager, stated that A and B are Community Event funding. Scottsdale Giant Race is applying for Matching Event Advertising funds. The \$17,500 request for the Italian Festival is the recommendation coming from the Working Group. Hashknife Pony Express had originally requested \$19,000, however, there was a reduction in the request related to some hotel properties. Some funding was going to be used for overnight stays for some of the participants that was not in Scottsdale. The Giant Race meets all requirements of the request.

Vice Chair Hill addressed Hashknife, asking whether the event considered taking the option of bringing the rooms to Scottsdale. Mr. Geiogamah said they were given the opportunity, however the event coordinators felt it was too much of a logistics challenge in terms of their horses.

COMMISSIONER MCKENZIE MOVED TO APPROVE THE EVENT FUNDING AS PRESENTED. VICE CHAIR SECONDED THE MOTION, WHICH CARRIED 5-0 WITH CHAIR DILLENBECK, VICE CHAIR HILL, COMMISSIONERS GRUPP, HENRY, AND MCKENZIE VOTING IN THE AFFIRMATIVE WITH NO DISSENTING VOTES.

9. Staff Reports

- a. **Staff Bed Tax Collection Report**
- b. **Staff Bed Tax Hotel Classification Report**
- c. **Bed Tax Proforma**
- d. **Program Updates**

Mr. Geiogamah stated that bed tax is up 12 percent year-to-date (through October). Hotel/motel sales tax is down 3 percent. Miscellaneous retail sales is up 7 percent. Restaurant tax is up 12 percent. Based on inquiry to tax audit, the reason for the decrease in sales tax in properties was related to possible renovations and swings from last year related to the increases.

Resort properties year-to-date are up 12.5 percent. Full service hotels are down 5.3 percent year-to-date. Limited services are up 16.7 percent year-to-date.

A few event funding numbers were updated, but nothing has radically changed in the data or the number sets.

In terms of the Smith Travel Report, over the past 12 months, occupancy is up 2.9 percent, which includes 59 properties. Average daily rate is up 2.1 percent. RevPAR is up 5 percent through October.

The Trend report includes transient group and contracts. Transient continues to be up 4.5 percent. Average daily rate and RevPAR continue to trend upward. Group occupancy is flat through October, however RevPAR and average daily rate continue to be up as well.

Chair Dillenbeck asked why bed tax numbers are down if RevPAR continues to increase. Mr. Geiogamah clarified the overall bed tax number is up 12 percent year-to-date.

Commissioner McKenzie addressed the proforma. He noted the vote that just occurred on the DDC and asked whether the money has been reversed out of the totals reflected. Ana Lia Johnson stated that the money was never taken out of the Tourism Fund. It was just included as a line item on the proforma for information purposes.

Mr. Geiogamah reported that the New Event roundtable discussion was held on November 30th with producers, venue owner/managers as well as some Commissioners with approximately 20 people in attendance. The resulting information will be compiled by staff and evaluated throughout the spring as they bring forward the New Event Fund Program criteria and objectives.

Commissioner Grupp referred to the election and confusion over language in the tax for Arizona and how it can be allocated. He asked whether this is something the Commission should be looking at this or whether it is more of a City issue. Ms. Churchard stated that the City Manager's Office is monitoring this, working with the Legislature and the lobbyist.

10. Public Comment

There were no public comments.

11. Identification of Future Agenda Items

Mr. Geiogamah said that election of officers will occur in January. There will be a report for the multiyear culinary event funding. Ms. Churchard said that Canal Convergence will be held until February. Staff would like to have a presentation on the Super Bowl as well. There will also be a presentation on Scottsdale stadium and the proforma. There will most likely be a request from the Community Division that oversees the potential project.

Mr. Geiogamah stated that the public interest disclosures and related information must be submitted before the January 15 meeting.

10. Adjournment

With no further business to discuss, being duly moved by Commissioner Grupp and seconded by Vice Chair Hill, the meeting adjourned at 8:26 a.m.

AYES: Chair Dillenbeck, Vice Chair Hill Commissioners Grupp, Henry and McKenzie
NAYS: None

SUBMITTED BY:

eScribers, LLC